

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY ~~Republic~~ of Korea

SUBJECT Shipping Activity in Korean Ports

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Traffic

1. Port of Pusan. The port of Pusan is in all respects a satisfactory port with minimum berthing capacity of 20 deep draught cargo vessels alongside piers, plus a minimum of five anchorage berths for discharge to lighters. Heavy lift cranes up to 150 tons are usually available through the Army Port and it may be considered that the lighters of various types are available in sufficient tonnage and variety to adequately handle the anchorage berth capacity. Transit sheds are located at nine berths but herein lies a problem as there is a serious lack of intermediate warehouses, and with the present system of attempting to disperse aid cargoes from Pusan almost entirely by rail, it appears difficult, if not impossible, to maintain the necessary fluid state in the transit sheds. The probable answer to this is to utilize the available suitable vessels, C-1s, etc., in an efficient coastwise service, thus taking a good share of the load from the railroad and affording a more flexible situation in the port. In this regard it is noted that from six to eight vessels of C-1 or similar type, owned by the Korea Shipping Company (government), are almost constantly idle at anchor in Pusan.
2. Port of Incheon. The port of Incheon must be considered as extremely hazardous financially for US vessels of Liberty size and larger. The only berthing available at dockside is inside a tidal basin, entry therein being considered safe only for smaller vessels. Larger vessels therefore must discharge at anchorage a considerable distance from landings due to the extreme tide. The foregoing, together with the hazards of fog and relatively unprotected anchorages, conspire to make a call risky unless the revenue is unusually attractive. Further, the lighter supply is not considered adequate although it is understood that steps are being taken to acquire additional service.
3. Outposts. There are several small ports in Korea that are capable of handling fairly deep draught vessels, but as their capacity is limited, and as conditions

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change, it is considered advisable to go into each offering as a separate situation. Here again it may be suggested that coastwise service could virtually obviate the requirement for direct calls by large vessels at these ports.

4. Outbound Cargo. I see no immediate radical change in the movement of products outward, with the expected exception that possibly tungsten may move directly to the US east coast, instead of through Japan, and there is the possibility that graphite may move in substantial quantities. It might be worth mentioning that the 100 thousand tons of Korean rice has not yet moved, and this possibility still exists. Scrap is another matter, but so involved in the politics of both the US and Korea that it is difficult to predict what may develop. At the moment there is no apparent activity in commercial scrap, but it seems probable that commercial vessels soon should be able to participate in the military movement now carried entirely by MBTS time charter vessels.

Operating Efficiency

5. Husbandry of Vessels Inadequate. Facilities for vessel husbandry are virtually nonexistent in Korea. At present there are no facilities or agencies worth mentioning for survey, repair, parts, chandlery or provisions. Navigational aids are infrequent and unreliable. Tugs, cranes, water and emergency minor repairs are at the sufferance of the US Army, and while there is no reason to believe they will subsequently be denied, the possibility exists.
6. Cargo Stowage. Stowage of mixed general cargo is an item important because of some unusual customs and practices here. Extreme long hatches of mixed cargo are to be avoided, despite the fact that the long hatch may be with two sets of gear. The stevedores, under the present Army contract, will not put enough men in the hold to work both sets of gear efficiently. Block stowage of package cargo is quite helpful. Items of a nature not readily manhandled are generally very slow as the stevedores, not being able to make good tonnage, lose interest and stall for as many meals as possible.

Government Agencies

7. United Nations Korean Reconstruction Agency. /UNKRA/ Primarily concerned in long-term development, heavy industry, construction, light manufacturing, etc. Considerable confusion exists and they are faced with a shortage of funds as the various nations have not all come through; their overhead is clearly out of proportion. There is reason to believe that this agency will ultimately be more or less confined to advisory activity, however, there has been, and there will still be purchasing and shipping activity.
8. ROK Government. The deciding factor in the procurement and movement of material secured with their own funds through the Office of Procurement of other agencies. They are also a factor of considerable weight in material or movement handled under the various other programs. The fact that there is a good deal of energy devoted to placating government leaders continually giving off righteous indignation and defiance, indicates an influence not otherwise commensurate with their position.

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General Information

9. Communications. Unbelievably inefficient, considering that the physical properties and equipment are regarded as fairly good. Of considerable importance to any business operating in Korea is to develop, by one means or another, methods of communicating locally and abroad.
10. Personnel. At the clerical level, comparatively well educated English-speaking Koreans are available readily and reasonably. All, however, are sorely lacking in experience which results in a somewhat difficult situation in that their normal temperament leads them to delusions of grandeur. Further, once in the white-collar bracket, many are inclined toward a pseudo-executive attitude that produces little, despite great flourishes. It has been noted that best results can be obtained with a first-class native manager, provided one keeps a close eye on him.
11. The coolie laborer, stavedores, etc., may be considered as fairly good, if properly supervised and decently paid. Supervision at this level is a great problem, as there are relatively few competent persons available. Pilferage is also a constant problem in the employment of this type labor, and there is no sure solution.
12. ROK Government attitude. Corruption is rampant at all levels of the government, and "squeeze" is not only an accepted practice, but practically mandatory. This, it is understood, has long been the method in the Orient, and therefore is not necessarily of great alarm. The general inefficiency, arrogance and ignorance is discouraging but, in a sense, understandable when the facts are considered. Surely it will take a generation or more of experience before these people can approach any degree of governmental morality and efficiency.
13. Native Business Firms. Here again the problem of experience is involved, however, the traders have the native acumen common to the Orient, and there is developing a group of businessmen who, through ability, government connections, or both, are factors in trade. The policy of the Korean government and the FOA to encourage these firms should further their advancement. The system of rebates, etc., is well established, and from a shipping standpoint it may well come that a compradore or subagent system is necessary.

Recommendations

14. There seems little doubt that, barring further war, there will be a substantial and fairly immediate increase in the volume of civil cargo into Korea with, excepting perishables, a rapid reduction in the volume of military tonnage. While it is not believed that the volume of civil cargo will reach that of certain past periods of military movement, it is very probable that the result may be equal or more serious port congestion, as it is doubtful that discharge and distribution will be as rapid.
15. In view of the increasing demand for delivery to Incheon, particularly with transshipments [T/B] at Kobe, it is recommended that effective arrangements be concluded allowing the issuance of through bills of lading with T/B at Pusan. It is entirely possible that the Japanese may refuse to allow, or seriously obstruct, transshipment of Korean cargo to Japanese ports.

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